

Testimony of BNE Energy
Before the Energy and Technology Committee
On Committee Bill 1

March 15, 2011

Senator Fonfara, Representative Nardello, Senator Witkos, Representative Hoydick and members of the Energy and Technology Committee, BNE Energy is pleased to offer comments on Committee Bill 1, An Act Concerning Connecticut's Energy Future. Specifically, BNE Energy supports sections 32, 52(j)(2) and 89 and applauds the Committee for the recognition of wind as a viable renewable energy resource in the state of Connecticut.

In section 32, we support the addition of subsection (14) which directs the commission of the new Department of Energy and Environmental Protection to "provide for the development and use of renewable energy resources, such as solar and wind energy, to the maximum practicable extent." As Connecticut is the only state in New England without a commercial wind project in operation, BNE Energy looks forward to working with the Commissioner and the Administration on the development of wind projects in the state. We are a wind energy development company based in West Hartford, Connecticut and currently have two commercial wind projects underway in the towns of Prospect and Colebrook, totaling 12.8 megawatts (MW) of clean renewable energy in the state.

The wind energy industry is in an era of substantial growth worldwide, led by the United States where it has increased dramatically in recent years. Wind currently supplies approximately 1.8 percent of the nation's electricity, but has the potential to supply anywhere from 10 to 40 percent of U.S. demand based on various studies. Since 2005, wind has been the second largest new power source (second only to natural gas) added to the U.S. electrical grid in terms of nameplate capacity. The U.S. led the world in wind capacity additions for four straight years and now exceeds Germany in cumulative capacity with more than 40,000 MW, or enough electricity to power 9.6 million American homes. In 2009 alone, the U.S. wind energy industry installed close to 10,000 MW, the largest year in U.S. history, expanding the nation's total wind generating capacity by 40% in a single calendar year. The growth in wind generation accounted for about 39% of the entire new power-producing capacity added nationally in 2009 injecting an investment of over \$19 billion into the economy. It is time for commercial wind in Connecticut. With a focused policy of providing for renewable energy, including wind energy, Connecticut can enjoy the economic and environmental benefits associated with wind projects. These projects not only create renewable energy, they create jobs and pay taxes. BNE Energy's wind projects will be the largest taxpayers in the towns of Prospect and Colebrook when they are operational.

BNE also supports the idea behind Section 52(j)(2) of the Committee bill. This language provides for long-term power purchase contracts for renewable energy projects located in Connecticut. The language requires the DEEP, in consultation with the Renewable Energy Investments Board, to solicit offers from in-state renewable projects not later than October 1, 2011. The language allows for "the one-hundred-fifty-megawatt limit" for such projects to be exceeded if the contracts are for wind generation, Class 1 renewable energy sources and alternative renewable energy sources pursuant to this section and contracts committed as of the effective date exceed such limit. Long term contracts are very important tools for the development of renewable energy and we support the Committee's efforts to encourage renewable energy development in Connecticut.

We also support the feed in tariff language in Section 89 of the bill. Tariff rates that are linked to the cost of renewable resource development allow these projects to be developed while investors can obtain a reasonable return on renewable energy investments. We strongly support the use of different financing options to encourage renewable sources. We also applaud the Committee for recognizing that wind energy is a part of the renewable portfolio mix that the state wants to encourage and that commercial wind is a viable option for in-state renewable energy development.

While we support the sections noted above, we do have concerns with changing the definition of Class 1 renewables to include large-scale hydropower. The inclusion of large scale hydropower, particularly those outside of our domestic footprint, could cause irreparable harm to the marketplace and the development of other Class 1 renewable projects located in the state of Connecticut.

Thank you for your attention.